

- ## Envision Arlington Fiscal Resources Task Group

Observations

Building permits

Using information kindly provided by Mr. Byrne and available on the Assessor web pages

Five year average building permit value
(Total minus town) x 1.25 (WEP)
Approx. \$80M/yr

New Growth

Five year average
Approx. \$90M/yr
\$1M Tax value

Q: Assuming that a majority of building permits are for work that does not qualify for new growth .. Why is permit dollar value less than new growth dollar value?

Inspections

Using information provided from a public record request with the kind assistance of Mr. Tierney and staff

89 percent of properties have been visited in the past five years (see graph)

Yet only 26% of properties have been inspected (see graph)

New Growth

Inspection of property cards reveals numerous situations where substantial work has been done without incremental change in value (new growth?) beyond simple inflationary increases

Discussion

Potential remedies

Changes in building permit process and policies

Changes in assessor inspection process and policies

See attached flow chart for possible remedies

			2016		2017		2018		2019		2020		
		\$	1,337,666	\$	1,070,144	\$	1,263,812	\$	981,206	\$	816,616	New Growth	
Avg Tax Rate	12		12.8		12.56		12.13		11.26		11.06	Tax Rate	
Avg Growth \$\$\$	\$	90,974,518	\$	104,505,156	\$	85,202,548	\$	104,188,953	\$	87,140,853	\$	73,835,081	Growth \$\$\$
Avg New Growth	\$	1,091,694										<u>Tax New Growth</u>	
Minus Condo	\$	54,584,711	2016	2017	2018	2019	2020						
Minus Commercial	\$	50,490,858	\$	67,747,564	\$	55,747,564	\$	66,418,942	\$	71,536,282	\$	78,665,430	Total
		\$	4,999,059	\$	9,371,621	\$	3,148,681	\$	567,209	\$	9,193,372	Town	
	VVV	\$	62,748,505	\$	46,375,843	\$	63,270,261	\$	70,969,073	\$	69,462,058	<u>Net</u>	
Average	\$	78,206,435	\$	78,435,631	\$	57,969,804	\$	79,087,826	\$	88,711,341	\$	86,827,573	1.25X
	???												Permits

What percentage of permits is new growth eligible?

See above

What percentage of new growth is condo conversions?

98% of Condo growth

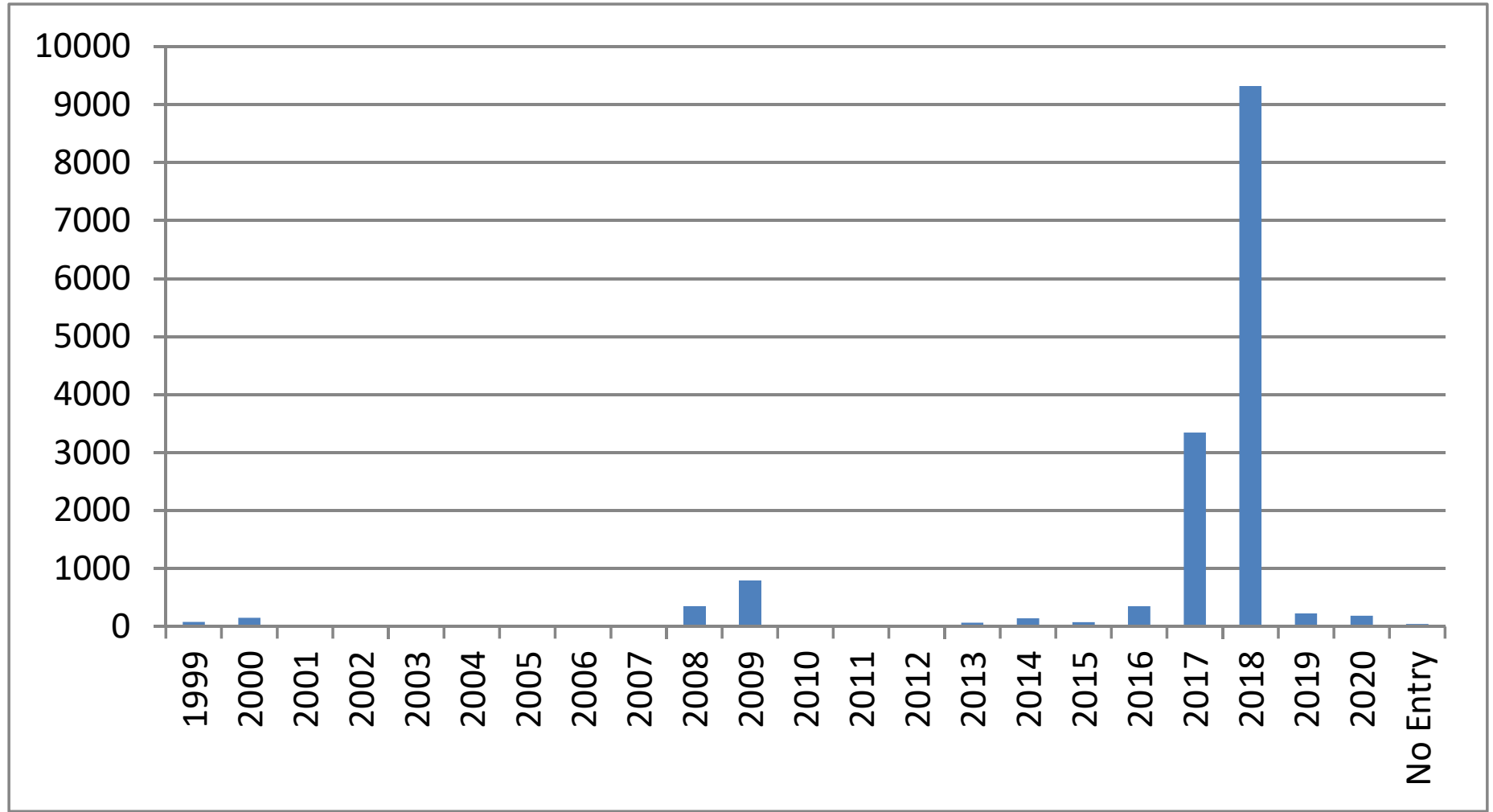
Inspections	26% Inspected (1999-2020)
Inspections	74% Not Inspected (1999-2020)
Inspections	11% not visited in past five years

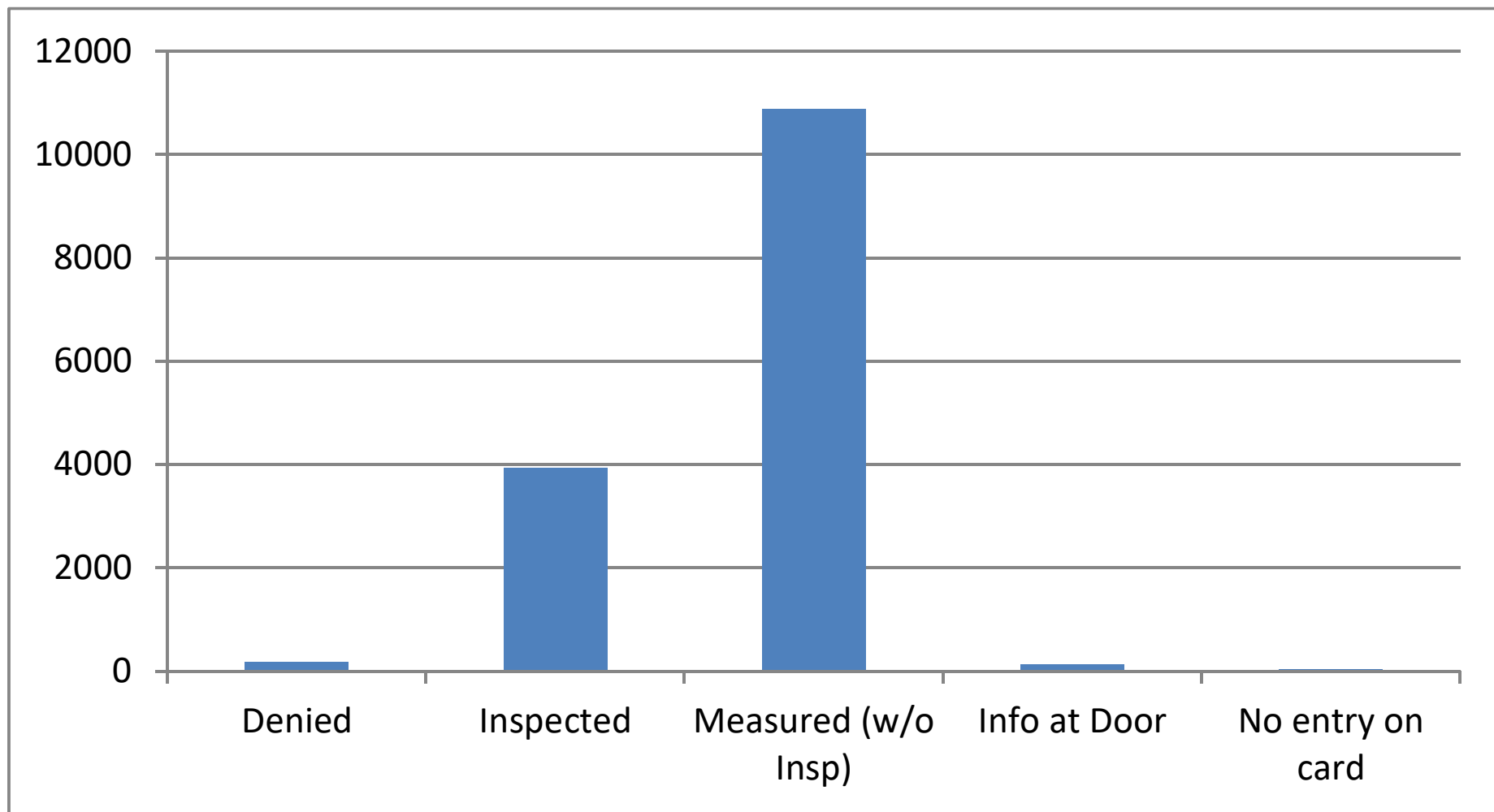
Questions

What are the deliverables for the Patriot Property inspection contract?

Potential fee/fine structure - Starting work without permit 3X .. Finished without permit 5X plus \$300 fine

Inspections verify the building permit work value .. If higher then penalty permit .. And refer to assessors





Permit	>>>	Inspection	>>>	Additional work identified	>>>	Secondary permit fees and penalty assessed (3X + \$300)
Assessor visit	>>>	Inspection	>>>	Additional work identified	>>>	Referral to Inspections - Penalty permit fees (5X) and penalty issued (\$500)
Assessor visit	>>>	Visit/Notice	>>>	No response to notice and mailer	>>>	Secondary notice (plus \$50 fee) - Waived upon inspection
			>>>	No response to secondary notice and mailer	>>>	Denial assumed - \$300 denial fee assessed - Waived upon inspection